

**SECRET**COR-1026  
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18 January 1961

Dear Al,

As you are aware certain of the equipments delivered under EB-300 and EB-375 have broken down during operations due to part failures and/or faulty maintenance by Government personnel. Your company has been called upon to make hurried trips or find replacement parts on short notice. In order to alleviate these situations in the future we feel that by establishing appropriate contracts between the parties we can accomplish this.

In view of the foregoing it is requested that proposals be submitted for the following work:

a. Field Service - One man full time for a year to service the equipments delivered under the above mentioned contracts. It is not contemplated that this man will devote his full time to maintenance problems. He should also be able to conduct OJT type training at the various Customers. The quotation is requested on a Fixed Price basis setting forth a man-month and man-day rate. Travel and transportation to be on an actual basis.

b. Spare Part Replenishment - The proposal should be based upon an Open Call Type contract wherein the parties agreed in advance to the rates, direct and indirect, and profit factor to be use in the succeeding 6 months or a year for pricing spare parts ordered by the Customer. Usually the call is placed by the Contracting Officer and the Contractor has sixty (60) days to price the material. A sample of the "formula" would be as follows:

<u>Category</u>	<u>Rate</u>	<u>Overhead</u>
Senior Engineer		
Draftsman		
Optical Shop		
Material @ cost plus G&A		
G&A @		
Profit @		

25X1A

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DISCLOSURE NO.  
NO EXEMPTION CLASS  
 BUSINESS  
 GOVERNMENT  
 DEFENSE  
 FOREIGN  
 POLITICAL  
 ECONOMIC  
 TECHNICAL  
 OTHER  
4011  
2011

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The call would be priced by estimating the number and type of manhours needed, apply the applicable rates, estimate cost of materials required, apply G&A to total manhours and materials and then apply profit to this total.

Your early response to this request would be appreciated. If you have any questions, please call Jim.

Regards,

**WATKELL**

25X1A      DPD-DD/P   
Distribution:  
0  ITEK  
2-CB/DPD-BB-375-Prop. Sec.  
3-CB/DPD-BB-300-Prop. Sec.  
4-AF Auditor  
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